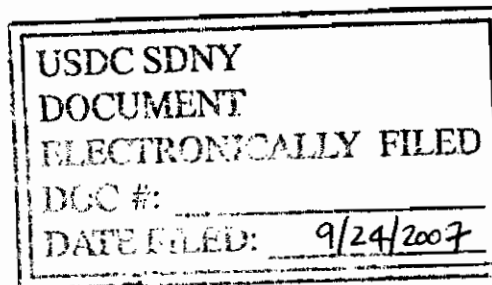


ISDA®

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MEMO ENDORSED

September 20, 2007

By Facsimile

The Honorable Denny Chin,
Daniel Patrick Moynihan United States Courthouse,
500 Pearl Street, Room 1020,
New York, New York 10007.

Re: CFTC v. Amaranth, Civ. Action No. 1:07-6682 (SDNY)

Dear Judge Chin:

In accordance with the instructions from your law clerk, I am writing on behalf of the International Swaps and Derivatives Association, Inc. ("ISDA") to request leave to file papers, *amicus curiae*, in the above-referenced matter. ISDA supports the exclusive jurisdiction of the plaintiff, the Commodity Futures Trading Commission (the "CFTC"), 7 U.S.C. § 2(a)(1)(A), and therefore supports the motion of the defendant, Amaranth Advisors, to stay the pending administrative proceeding brought by the Federal Energy Regulatory Commission (the "FERC") against Amaranth for allegedly manipulating the price of the natural gas futures contract, traded on the New York Mercantile Exchange, Inc. (the "NYMEX").

ISDA is the largest global financial trade association and represents participants in the privately negotiated derivatives industry. ISDA has over 815 member institutions from 56 countries on six continents. These members include most of the world's major institutions that deal in privately negotiated derivatives, as well as many of the businesses, governmental entities and other end users that rely on over-the-counter derivatives to manage efficiently the financial market risks inherent in their core economic activities. ISDA's mission includes promoting practices conducive to the efficient conduct of the business, including the development and maintenance of derivatives documentation, promoting the development of sound risk management practices and fostering high standards of commercial conduct. ISDA, therefore, has a

Honorable Denny Chin

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substantial interest in preserving the integrity of the statutory grant of exclusive jurisdiction to the CFTC under the Commodity Exchange Act (the "CEA").

Most of ISDA's members are active participants in CFTC-regulated exchange trading to hedge various exposures, engage in arbitrage and risk manage their businesses. ISDA is interested in assuring that this trading is done pursuant to an appropriate regulatory regime free from unnecessary and burdensome oversight. It is settled law that Congress intended the CFTC's jurisdiction over futures markets and market participants to be exclusive, where applicable, and to supersede authority any other federal regulatory agency might have that could reach futures trading. The CFTC's exclusive jurisdiction allows futures markets to serve the congressionally-identified public interest by preventing duplicative regulation, or conflicting regulation, or conceivably both, by other federal agencies. Congress enacted exclusive jurisdiction because it knew multiple regulation of the same activity would impose undue costs and burdens on regulated futures markets and have other adverse public policy consequences.

Should the Court grant leave for ISDA to file papers, *amicus curiae*, I understand the Court would specify when those papers would be due and whether a *pro hac vice* motion is also needed. ISDA would suggest that its papers might be helpful to the Court if filed concurrently with Amaranth's reply brief, now due to be filed on September 26, 2007, as we understand the current schedule. ISDA is conferring with counsel for other *amicus curiae* including "the Futures Group" and may join their brief. This letter has been served on counsel for all parties by facsimile and email as reflected in the accompanying certification.

Sincerely,



Greg Zerzan

ISDA may file papers
as amicus; no pro hac
motion is needed;

its papers are due when
Amaranth's reply papers are due.

So ORDERED.



WDS 9/24/07